

Mississippi Secretary of State
700 North Street P. O. Box 136, Jackson, MS 39205-0136

ADMINISTRATIVE PROCEDURES NOTICE FILING

AGENCY NAME Mississippi State Oil & Gas Board		CONTACT PERSON Howard O. Leach (Staff Attorney)	TELEPHONE NUMBER (601) 576-4921	
ADDRESS 500 Greymont Avenue - Suite E		CITY Jackson	STATE MS	ZIP 39202
EMAIL hleach@ogb.state.ms.us	SUBMIT DATE 10/11/13	Name or number of rule(s): Statewide Rule 1.13 ("Blowout Preventers")		

Short explanation of rule/amendment/repeal and reason(s) for proposing rule/amendment/repeal: Amend Statewide Rule 1.13 to prescribe new regulatory requirements relating to the installation and testing of blowout preventers (BOPs) on oil and gas wells

Specific legal authority authorizing the promulgation of rule: MCA Sec. 53-1-17(3) (1972)

List all rules repealed, amended, or suspended by the proposed rule: Statewide Rule 1.13 ("Blowout Preventers")

ORAL PROCEEDING:

☒ An oral proceeding is scheduled for this rule on Date: November 20, 2013 Time: 10:00 o'clock, A. M. Place: Hearing Room, Miss. State Oil & Gas Board, 500 Greymont Avenue, Suite E, Jackson, Mississippi

☐ Presently, an oral proceeding is not scheduled on this rule.

If an oral proceeding is not scheduled, an oral proceeding must be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) or more persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address, email address, and telephone number of the person(s) making the request; and, if you are an agent or attorney, the name, address, email address, and telephone number of the party or parties you represent. At any time within the twenty-five (25) day public comment period, written submissions including arguments, data, and views on the proposed rule/amendment/repeal may be submitted to the filing agency.

ECONOMIC IMPACT STATEMENT:

☐ Economic Impact statement not required for this rule. ☒ Concise summary of economic impact statement attached.

TEMPORARY RULES	PROPOSED ACTION ON RULES	FINAL ACTION ON RULES
<input type="checkbox"/> Original filing <input type="checkbox"/> Renewal of effectiveness To be in effect in _____ days Effective date: <input type="checkbox"/> Immediately upon filing <input type="checkbox"/> Other (specify): _____	Action proposed: <input type="checkbox"/> New rule(s) <input checked="" type="checkbox"/> Amendment to existing rule(s) <input type="checkbox"/> Repeal of existing rule(s) <input type="checkbox"/> Adoption by reference Proposed final effective date: <input type="checkbox"/> 30 days after filing <input checked="" type="checkbox"/> Other (specify): 45 days after approval	Date Proposed Rule Filed: _____ Action taken: <input type="checkbox"/> Adopted with no changes in text <input type="checkbox"/> Adopted with changes <input type="checkbox"/> Adopted by reference <input type="checkbox"/> Withdrawn <input type="checkbox"/> Repeal adopted as proposed Effective date: <input type="checkbox"/> 30 days after filing <input type="checkbox"/> Other (specify): _____

Printed name and Title of person authorized to file rules: Howard O. Leach, Staff Attorney, MSO&GB

Signature of person authorized to file rules: [Signature]

OFFICIAL FILING STAMP	DO NOT WRITE BELOW THIS LINE OFFICIAL FILING STAMP	OFFICIAL FILING STAMP
<div style="border: 1px solid black; height: 100px; width: 100%;"></div> Accepted for filing by _____	<div style="border: 1px solid black; padding: 10px; text-align: center;">  </div> Accepted for filing by <u>20085 [Signature]</u>	<div style="border: 1px solid black; height: 100px; width: 100%;"></div> Accepted for filing by _____

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.



DELBERT HOSEMAN
Secretary of State

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. This is a Concise Summary of the Economic Impact Statement which must be filed with the Secretary of State's Office.

AGENCY NAME Mississippi State Oil & Gas Board	CONTACT PERSON Howard O. Leach (Staff Attorney)		TELEPHONE NUMBER (601) 576-4921
ADDRESS 500 Greymont Avenue - Suite E	CITY Jackson	STATE MS	ZIP 39202
EMAIL hleach@ogb.state.ms.us	DESCRIPTIVE TITLE OF PROPOSED RULE Statewide Rule 1.13 ("Blowout Preventers")		
Specific Legal Authority Authorizing the promulgation of Rule: MCA Sec. 53-1-17(3) (1972)		Reference to Rules repealed, amended or suspended by the Proposed Rule: Statewide Rule 1.13 ("Blowout Preventers")	

A. Estimated Costs and Benefits

1. Briefly summarize the benefits that may result from this regulation and who will benefit: The approval of the proposed amendments to Statewide Rule 1.13 will impose new installation and testing requirements for blowout preventers and related well control equipment on oil and gas wells. These changes will significantly reduce the likelihood of blowouts or explosions on oil and gas wells during drilling, completion and recompletion operations and will thus enhance the safety of the general public and oilfield workers. This becomes more important as an increased number of wells are drilled within populated areas.
2. Briefly describe the need for the proposed rule: The current version of Statewide Rule 1.13 requires operators to take necessary and proper steps to prevent blowouts or explosions when drilling wells within high pressure areas. The current rule does not address with sufficient specificity when blowout prevention and well control equipment is to be installed, how, when such equipment is to be tested, etc. The proposed amendments to Statewide Rule 1.13 are intended to address these regulatory deficiencies.
3. Briefly describe the effect the proposed action will have on the public health, safety, and welfare: The approval of the proposed amendments regarding the installation and testing of blowout preventers will significantly reduce the likelihood of blowouts and explosions during the drilling, completion and recompletion of oil and gas wells. By reducing the likelihood of blowouts, the safety of both the general public and oilfield workers will be significantly enhanced. In addition, the vital environmental resources of the state (land, timber, water, wildlife, etc.) will be further protected.
4. Estimated Cost of implementing proposed action:
 - a. To the agency
x ☐ Nothing ☐ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
 - b. To other state or local government entities
x ☐ Nothing ☐ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
5. Estimated Cost and/or economic benefit to all persons directly affected by the proposed rule:

- c. Cost:
☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive
- d. Economic Benefit:
☐ Nothing ☐ Minimal ☐ Moderate ☒ Substantial ☐ Excessive

6. Estimated impact on small businesses:

☐ Nothing ☒ Minimal ☐ Moderate ☐ Substantial ☐ Excessive

- a. Estimate of the number of small businesses subject to the proposed regulation: 50-60
- b. Projected costs for small businesses to comply: Minimal
- c. Statement of probable effect on impacted small businesses: Minimal economic impact due to the fact that most oil and gas operators currently comply with the standards and practices which will be incorporated into Statewide Rule 1.13 upon the approval of these amendments

7. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☐ moderately less than ☐ minimally less than
☐ the same as ☒ minimally more than ☐ moderately more than
☐ substantially more than ☐ excessively more than

8. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):

☐ substantially less than ☐ moderately less than ☐ minimally less than
☐ the same as ☐ minimally more than ☐ moderately more than
☒ substantially more than ☐ excessively more than

B. Reasonable Alternative Methods

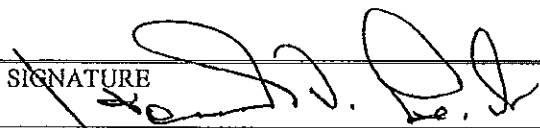
1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?
☐ yes ☒ no
2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule. (Please see §25-43-4.104 for factors you must consider.)
Not applicable

C. Data and Methodology

1. Please briefly describe the data and methodology you used in making the estimates required by this form. The estimates and conclusions set forth above are based upon the MSO&GB's extensive experience over a period of approximately seventy (70) years in serving as Mississippi's oil and gas conservation agency. During that period this agency has permitted and regulated the day-to-day operations of thousands of oil and gas wells and related E&P facilities. In addition, in formulating these proposed amendments to Statewide Rule 1.13, this agency has relied heavily upon similar rules in effect in surrounding oil and gas producing states.

D. Public Notice

1. Where, when, and how may someone present their views on the proposed rule and request an oral proceeding on the proposed rule if one is not already scheduled? The MSO&GB will conduct a public hearing in these rule-making proceedings commencing at 10:00 o'clock, A. M. on November 20, 2013, in the Hearing Room of the MSO&GB located at 500 Greymont Avenue, Suite E, Jackson, Mississippi. In addition, written comments and/or formal docket contests may be filed with this agency up until 5:00 o'clock, P. M. on Tuesday, November 12, 2013.

SIGNATURE 	TITLE Staff Attorney, MSO&GB
DATE October 11, 2013	PROPOSED EFFECTIVE DATE OF RULE 45 days after approval